



Golder Associates Inc.

5200 Pasadena N.E., Suite C
Albuquerque, NM USA 87113
Telephone (505) 821-3043
Fax (505) 821-5273
www.golder.com



April 6, 2009

Ref: 063-2332 Phase 0008

Mr. Tom Leck, Project Manager
New Mexico Environment Department
Petroleum Storage Tank Bureau
5500 San Antonio, NE, Albuquerque, NM

Subject: Discharge to Sewer Report - Deliverable ID 15296-2
Thriftway 220, 609 E. 20th, Farmington, New Mexico
Facility ID: 29521 Release ID: 2035 WPID: 15355

Dear Mr. Leck:

Golder Associates, Inc. has prepared this letter to report the progress of changing the point of treated water discharge from the existing groundwater injection wells to the City of Farmington sewer system. This letter represents Golder's final deliverable for this work due to the New Mexico Environment Department's direction to cease further work on this project until a new contract agreement is executed.

Work completed to date includes the following:

- Approval from the City of Farmington in the form of a "Water Right Lease Agreement" to lease water rights for purposes of diverting groundwater and discharging to the City's sewer system (See attached Letter from the City of Farmington dated July 29, 2008). Previous correspondence with the City of Farmington are attached (Letters dated October 25, 2007, and January 3, 2008)
- Negotiations with the City of Farmington to modify effluent monitoring requirements (attached letters dated December 12, 2008 and January 16, 2008)
- Exploratory excavation to locate a suitable point to connect the discharge line to the sewer. *[This excavation was completed in the alley-way near the present groundwater injection wells. The excavation revealed a storm-water drain and not the sanitary sewer. The City of Farmington will not allow the storm-water drain to be used for discharge of the treated groundwater].*

Work to be completed includes, identification of a connection point to the City of Farmington's sanitary sewer main, installation of discharge piping, and new flow meter installation. Apparently, the most cost-effective connection would be to tap into the existing sewer lateral located between the Mustang Convenience Store and the Comcast office nearest the curb. A feasibility assessment involving exploratory excavation is recommended to confirm the size, location, slope, and depth of the existing sewer lateral. If this location proves infeasible, a direct connection to the sewer main located in the center of North Butler Avenue might be the only option.

Treated water flow is presently measured with three meters located in the groundwater injection well vault. A new totalizing flow meter is needed at the discharge end of the air stripper effluent pump to measure flow to the sewer.

If you have questions or comments, please contact me at (505) 821-3043.

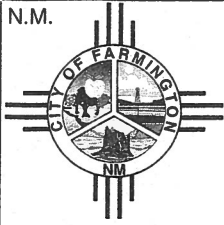
Sincerely,

Robert Ederer, P.E.
Project Manager

Bob Newcomer, R.G.
Managing Associate

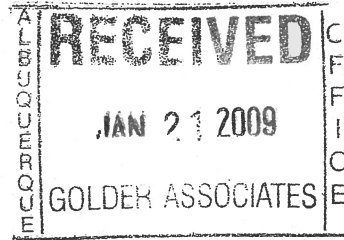
Attachments: City of Farmington Correspondence

UTAH | COLO.
ARIZ. | N.M.



083-80
062-2332
(sewer)
CITY OF FARMINGTON

800 Municipal Drive
Farmington, NM 87401-2663
(505) 599-1308
Fax: (505) 599-1299
www.fmtn.org



January 16, 2009

Vener M. Mustafin, P.E.
Golder Associates, Inc.
5200 Pasedena Ave., NE
Albuquerque, NM 87113

Dear Mr. Mustafin,

RE: Request to Waive Treated Effluent Discharge Requirements for Bi-Annual Monitoring of TDS and TBLL's at Thriftway #220, 609 E. 20th St, Farmington NM

In response to your letter dated December 22, 2008, your request to reduce TDS from bi-annual to annual is being denied for a period of at least two years. The City of Farmington's own permit renewal for TDS will be substantially lower by that time. If after two years the TDS results remain within our required local limits, you may then submit a letter requesting to waive the bi-annual monitoring.

Due to the low concentration levels in the effluent, the TBLL's monitoring will be allowed on an annual schedule as requested. However, the pH will continue to be monitored monthly as discussed in the letter dated December 12, 2008.

Should you have any additional questions regarding this matter, please contact Marsha Englehart at 505-325-6953 or my office at 505-599-1284

Additionally,

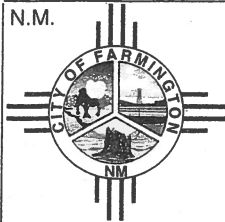
Sincerely,

Ruben Salcido
Operations & Maintenance Manager / Environmental Coordinator
Water / Wastewater Utilities Division
Public Works / City of Farmington

CC: Jeff Smaka, City of Farmington, Public Works Director
Marsha Englehart, CH2M HILL OMI
File

UTAH | COLO.

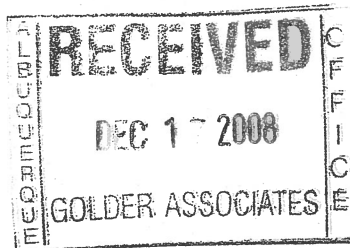
ARIZ. | N.M.



December 12, 2008

CITY OF FARMINGTON

800 Municipal Drive
Farmington, NM 87401-2663
(505) 599-1308
Fax: (505) 599-1299
www.fmtn.org



Vener M. Mustafin, P.E.
Golder Associates, Inc.
5200 Pasadena Ave., NE
Albuquerque, NM 87113

Dear Mr. Mustafin,

In response to your request for a waiver of the in-line pH meter at Thriftway #220, the City of Farmington requests the submission of the year's historical data referenced in your letter of November 21, 2008. Specifically, we would like to determine whether organic ground water standards alone were monitored or whether the City's Technically Based Local Limits (TBLLs) were included. If the results of this monitoring meet TBLL pH limits, the requirement of the in-line pH meter will be waived. In addition to the monthly pH analysis, we would also require monthly monitoring of Total Dissolved Solids as well as TBLL monitoring twice per year. Please see attached list of the TBLL.

Sincerely,

Ruben D. Salcido
Operations & Maintenance Manager / Environmental Coordinator
Water / Wastewater Utilities Division
Public Works Dept
City of Farmington
505-599-1284 / fax-505-599-1299

CC: Jeff Smaka, City of Farmington, Public Works Director
Marsh Englehart, CH2M HILL OMI
File

**CITY OF FARMINGTON**

800 Municipal Drive
Farmington, NM 87401-2663
Fax: (505) 599-1299
<http://www.farmington.nm.us>

July 29, 2008

Verner Mustafin, P.E.
Project Manager
Golder Associates Inc.
5200 Pasadena N.E., Suite C
Albuquerque, NM 87113

Dear Mr. Verner:

Please find enclosed three (3) executed copies of a Water Right Lease Agreement between Thriftway Marketing Corp and the City of Farmington. For its files, the City would like a copy of the Office of the State Engineer's approved, or approved with stipulations application for the use of this water.

If I can be of further assistance in the matter please contact my office at (505) 599-1393 or email me (pmontoia@fmtn.org).

Sincerely,

Paul A. Montoia, P.G.
Water Resource Specialist

Cc: Jeff Smaka, P.E. Water/Wastewater Administrator & Acting Public Works
Director

Enclosure: Water Right Lease Agreement

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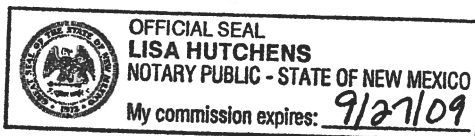
STATE OF NEW MEXICO)
)ss
COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me this 29th day of July, 2008, by Robert Mayes, City Manager, of the City of Farmington, a New Mexico municipal corporation, for and on behalf of said corporation.

Lisa Hutchens
Notary Public

My commission expires:

9/27/2009



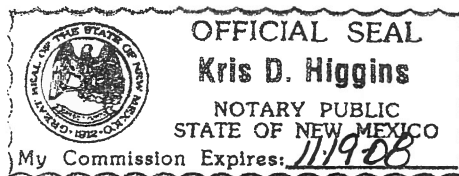
STATE OF NEW MEXICO)
)ss
COUNTY OF SAN JUAN)

The foregoing instrument was acknowledged before me this 30th day of JUNE, 2008, by Robert Moss, President, of Thriftway Marketing Corp., a NEVADA corporation, for and on behalf of said corporation.

Kris D. Higgins
Notary Public

My commission expires:

11-19-08



WATER RIGHTS LEASE AGREEMENT

THIS AGREEMENT for the leasing of water rights is entered into as of the 29th day of July, 2008, between the City of Farmington, New Mexico, hereinafter referred to as "City" and Thriftway Marketing Corp., whose business address is 501 Airport Drive Suite 100, Farmington, NM 87401, and hereinafter is referred to as "Thriftway."

WITNESSETH:

WHEREAS, Thriftway is interested in leasing water rights from the City for the purpose of groundwater remediation in the City of Farmington, and

WHEREAS, the City owns water rights in the Animas and San Juan Rivers in an amount currently capable of serving the need by the Thriftway system.

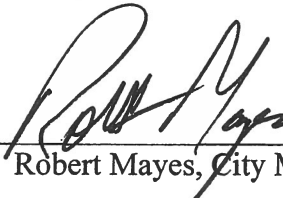
NOW, THEREFORE, in consideration of the foregoing and mutual agreements hereinafter set forth, the City and Thriftway agree:

1. All water rights supplied by the City under the terms of this Agreement to Thriftway shall be supplied from water rights owned by the City in the Animas River under Permit Number 1951 and is limited to the diversion of 25 acre-feet per annum diversion unless the City shall otherwise agrees in writing.
2. The City is granting Thriftway the use of these water rights contingent upon:
 - a. Thriftway obtaining, at their expense, approval from the New Mexico State Engineer (State Engineer) and will be subject to any restriction(s) or condition(s) imposed by the State Engineer.
 - b. Thriftway acquiring, installing, and maintaining, at their expense, recording or totalizing meters for the use of measuring such volumes of water provided to the Thriftway from these City-owned water rights.
 - c. On or before January 1 of each year of this Agreement, Thriftway furnishing the City with an annual report of the quantities of water used by Thriftway.
3. Thriftway shall restrict the use of water obtained by this Agreement for a groundwater remediation project located near the intersection of Butler Street and 20th Street in the City of Farmington.
4. Contract Term: This Contract shall be for a term of three (3) years from the date of this Agreement.

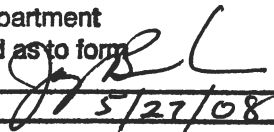
5. Regulatory Agencies: That this contract is subject to such rules, regulations or laws as may be applicable to similar agreements in the State of New Mexico. The City and Thriftway will collaborate in obtaining such permits, certificates or the like, as may be required to comply therewith.
6. Rates and Payment Schedule: Upon execution of this Agreement by Thriftway, Thriftway shall submit to the City the sum of six thousand nine hundred dollars (\$6,900).
7. Contract Effective. Contract shall be effective upon approval by the Office of State Engineer application for diversion of place and/or purpose of use of groundwater to surface water. If the application is not approved, or approved with stipulations that are not acceptable to the City of Farmington or Thriftway Marketing, the contract shall be void.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

THE CITY OF FARMINGTON, NEW MEXICO:

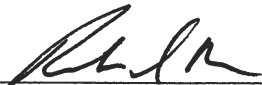
by: 
Robert Mayes, City Manager

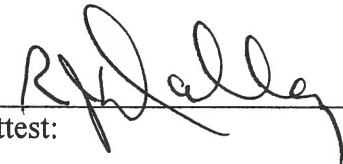


Legal Department
Approved as to form
By 
Date 5/27/08


Attest: Dianne Fuhman, City Clerk

THRIFTWAY MARKETING, CORP.

by: 
Robert Moss, President


Attest:

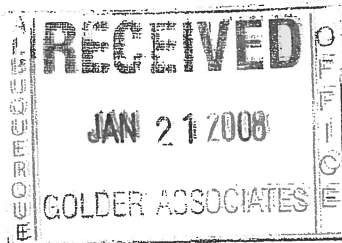


CITY OF FARMINGTON

800 Municipal Drive
Farmington, NM 87401-2663
Fax: (505) 599-1299
<http://www.farmington.nm.us>

January 3, 2008

Mr. Jay T. Snyder, P.G.
Project Geologist
Golder Associates, Inc.
5200 Pasadena N.E., Suite C
Albuquerque, NM 87113



Dear Mr. Snyder:

I am writing in response to your letter of November 21, 2007 requesting to lease from the City of Farmington up to 25 acre-feet of water rights per annum for the remediation of groundwater for a period of three years. Your letter suggests surface water rights are needed to replace groundwater injection.

The City does have sufficient water rights available that can be used for this purpose and is willing to lease to Golder Associates for this purpose. To proceed with this request Golder Associates will need to satisfy the following terms:

1. The City will prepare and execute a Letter of Agreement authorizing Golder to use up to 25 acre-feet of water from the City's water rights.
2. Installation and maintenance of all appropriate metering devices and piping that may be required to successfully utilize the water will be at Golder Associates expense.
3. The City is willing to lease to Golder up to 25 acre-feet of water at an annual rate of \$2,300 for three (3) years. The total would be \$6,900 payable upon signature of the lease.
4. Golder Associates will prepare for submittal to the Office of the State Engineer an application for Change in Point of Diversion, Purpose and Place of Use.

Should Golder Associates like to proceed with a lease, please submit a letter stating the terms are acceptable to the attention of Paul A. Montoia, L.G., Public Works Department, City of Farmington, 800 Municipal Drive, Farmington, NM 87401.

Should you have any questions, please contact Mr. Montoia at (505) 599-1393. The City looks forward to your response.

Sincerely,

Rob Mayes
Acting Public Works Director

Cc: City Manager *OK 1-16-08*
Water/Wastewater Administrator
Water Resources



CITY OF FARMINGTON

800 Municipal Drive
Farmington, NM 87401-2663
Fax: (505) 599-1299
<http://www.farmington.nm.us>

October 25, 2007

Vener M. Mustafin, P.E.
Golder Associates, Inc.
5200 Pasadena Ave., NE
Albuquerque, NM 87113

RE: Groundwater Treated Effluent into City Sewer

Dear Mr. Mustafin:

After reviewing your lab data and process procedures, the City of Farmington is granting permission to discharge treated effluent from your groundwater remediation facility located at Thriftway 220 (609 E. 20th) under the following conditions:

- ❖ Treatment of the groundwater continues at current levels.
- ❖ A pH meter is installed in such a way that if pH drops below 5.0 su or rises above 11.0 su, discharge to the sewer system will cease and the operator will be notified immediately. The installation of this system must be approved by Lori Smith or myself before discharge to the sewer may begin.

Should you have any questions regarding this matter, please contact Lori Smith at 505-325-6741 or my office 505-599-1284.

Sincerely,

Ruben Salcido
Environmental Coordinator &
O&M Manager - Water/Wastewater Utilities Division

Cc: Lori Smith, IPP Coordinator, CH2M HILL OMI

Jeff Smaka, Water/Wastewater Utilities Division Administrator